



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY:

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), pursuant to 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

DATES: Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

ADDRESSES: You may submit comments, identified by *FR Y-14A/Q/M*, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer—Shagufta Ahmed --Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235 725 17th Street, NW., Washington, DC 20503 or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at: <http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer -Cynthia Ayouch-Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

Request for comment on information collection proposal

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Proposal to revise under OMB delegated authority the following report:

Report title: Capital Assessments and Stress Testing information collection.

Agency form number: FR Y-14A/Q/M.

OMB control number: 7100-0341.

Frequency: Annually, semi-annual, quarterly, and monthly.

Reporters: Large banking organizations that meet an annual threshold of \$50 billion or more in total consolidated assets (large Bank Holding Companies or large BHCs), as defined by the Capital Plan rule (12 CFR 225.8).¹

Estimated annual reporting hours: FR Y-14A: Summary, 50,160 hours; Macro scenario, 1,860 hours; Counterparty credit risk (CCR), 2,292 hours; Basel III/Dodd-Frank, 600 hours; and Regulatory capital, 600 hours. FR Y-14 Q: Securities risk, 1,200 hours; Retail risk, 1,920 hours; Pre-provision net revenue (PPNR), 75,000 hours; Wholesale corporate loans, 6,720 hours; Wholesale commercial real estate (CRE) loans, 6,480 hours; Trading risk, 41,280 hours; Basel III/Dodd-Frank, 2,400 hours; Regulatory capital, 4,800 hours; and Operational risk, 3,360 hours; and Mortgage Servicing Rights (MSR) Valuation, 864 hours; Supplemental, 960 hours; and Retail Fair Value Option/Held for Sale (Retail FVO/HFS), 1,216 hours. FR Y-14M: Retail 1st lien mortgage, 153,000 hours; Retail home equity, 146,880 hours; and Retail credit card, 91,800 hours. FR Y-14 Implementation and On-Going Automation: Start-up for new respondents, 79,200 hours; and On-going revisions for existing respondents, 9,120 hours.

Estimated average hours per response: FR Y-14A: Summary, 836 hours; Macro scenario, 31 hours; CCR, 382 hours; Basel III/Dodd-Frank, 20 hours; and Regulatory capital, 20 hours. FR Y-14Q: Securities risk, 10 hours; Retail risk, 16 hours; PPNR, 625 hours; Wholesale corporate loans, 60 hours; Wholesale CRE loans, 60 hours; Trading risk, 1,720 hours; Basel III/Dodd-Frank, 20 hours; Regulatory capital, 40 hours; Operational risk, 28 hours; MSR Valuation, 24 hours; Supplemental, 8 hours; and Retail FVO/HFS, 16 hours. FR Y-14M: Retail 1st lien mortgage, 510 hours; Retail home equity, 510 hours; and Retail credit card, 510 hours. FR Y-14 Implementation and On-Going Automation: Start-up for new respondents, 7,200 hours; and On-going revisions for existing respondents, 480 hours.

Number of respondents: 30.

General description of report: The FR Y-14 series of reports are authorized by section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which requires the Federal Reserve to ensure that certain BHCs and nonbank financial companies supervised by the Federal Reserve are subject to enhanced risk-based and leverage standards in order to mitigate risks to the financial stability of the United States (12 U.S.C. 5365). Additionally, section 5 of the BHC Act authorizes the Board to issue regulations and conduct information collections with regard to the supervision of BHCs (12 U.S.C. 1844).

As these data are collected as part of the supervisory process, they are subject to confidential treatment under exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(8)). In addition, commercial and financial information contained in these

¹ The Capital Plan rule applies to every top-tier large BHC. This asset threshold is consistent with the threshold established by section 165 of the Dodd-Frank Act relating to enhanced supervision and prudential standards for certain BHCs.

information collections may be exempt from disclosure under FOIA exemption 4 (5 U.S.C. 552(b)(4)). Such exemptions would be made on a case-by-case basis.

Abstract: The data collected through the FR Y-14A/Q/M schedules provide the Federal Reserve with the additional information and perspective needed to help ensure that large

BHCs have strong, firm-wide risk measurement and management processes supporting

their internal assessments of capital adequacy and that their capital resources are sufficient given their business focus, activities, and resulting risk exposures. The annual Comprehensive Capital Analysis and Review (CCAR) exercise is also complemented by other Federal Reserve supervisory efforts aimed at enhancing the continued viability of large BHCs, including (1) continuous monitoring of BHCs' planning and management of liquidity and funding resources and (2) regular assessments of credit, market and operational risks, and associated risk management practices. Information gathered in this data collection is also used in the supervision and regulation of these financial institutions. In order to fully evaluate the data submissions, the Federal Reserve may conduct follow up discussions with or request responses to follow up questions from respondents, as needed.

The annual FR Y-14A collects large BHCs' quantitative projections of balance sheet, income, losses, and capital across a range of macroeconomic scenarios and qualitative information on methodologies used to develop internal projections of capital across scenarios.² The quarterly FR Y-14Q collects granular data on BHCs' various asset classes and PPNR for the reporting period, which are used to support supervisory stress test models and for continuous monitoring efforts. The monthly FR Y-14M comprises three loan- and portfolio-level collections, and one detailed address matching collection to supplement the two loan-level collections for first lien mortgages and home equity mortgages.

On October 12, 2012, the Federal Reserve published two final rules in the *Federal Register* (77 FR 62409) with stress testing requirements for certain bank holding companies, state member banks, and savings and loan holding companies. The final rules implement sections 165(i)(1) and (i)(2) of the Dodd-Frank Act. Section 165(i)(1) of the Dodd-Frank Act requires the Board to conduct an annual stress test of each covered company³ to evaluate whether the covered company has sufficient capital, on a total consolidated basis, to absorb losses as a result of adverse economic conditions (supervisory stress tests). Section 165 (i)(2) requires the Board to issue regulations that require covered companies to conduct stress tests semi-annually and require financial

² BHCs that must re-submit their capital plan generally also must provide a revised FR Y-14A in connection with their resubmission.

³ See 12 U.S.C. 5365(a). A "covered company" includes any bank holding company with total consolidated assets of \$50 billion or more and each nonbank financial company that the Council has designated for supervision by the Board.

companies with total consolidated assets of more than \$10 billion that are not covered companies and for which the Federal Reserve is the primary federal financial regulatory agency to conduct stress tests on an annual basis (collectively, company-run stress tests).

Current Actions: The Federal Reserve proposes to revise the monthly FR Y-14M schedules and modify the frequency for certain FR Y-14A and FR Y-14Q schedules, effective March 31, 2013. Revisions to the FR Y-14M schedules include: (1) adding data items to all three loan- and portfolio-level collections, and the address matching collection, (2) clarifying several data items currently collected, and (3) deleting data items that are no longer needed. A summary of the proposed revisions is provided below.

Proposed revisions to the FR Y-14A (annual collection) - Effective November 15, 2012, sections 252.145 (Mid-cycle stress test) and 252.147(a)(2) (Reports of stress test results) of Regulation YY (12 CFR 252) Supervisory and Company-Run Stress Test Requirements for Covered Companies, requires that, in addition to the stress test required under section 252.144, a covered company must conduct a stress test and report the results by July 5th during each stress test cycle based on data as of March 31st of that calendar year, unless the time or the as-of date is extended by the Board in writing.⁴ Therefore, the Federal Reserve proposes revising the reporting frequency from annual to semi-annual for the Summary and Macro scenario schedules. In the mid-cycle summary schedules, trading and counterparty worksheets would be used if a market shock is included in one of the BHC stress scenarios. In the mid-cycle macro scenario schedule, BHCs would not be required to provide items related to supervisory scenarios.

Proposed revisions to the FR Y-14Q (quarterly collection) - The Federal Reserve proposes revising the FR Y-14Q Basel III/Dodd-Frank schedule and Regulatory Capital Instruments schedule to increase the reporting frequency from three times to four times a year effective beginning with the September 30, 2013 report date. The Federal Reserve needs these data to be provided quarterly, consistent with the data provided in other FR Y-14Q schedules. The previous frequency of three times a year reflected the fact that these schedules were implemented in the fourth quarter 2011 and were reported only three quarters during the first year of implementation.

Proposed revisions to the FR Y-14M (monthly collection) - The proposed revisions to the FR Y-14M (monthly collection) consist of adding data items, clarifying instructions, and clarifying current data items on four schedules. The proposed changes to the FR Y-14M monthly data collections would (1) provide additional information to support supervisory models used during CCAR and Dodd-Frank Act Stress Testing (DFAST) as well as continuous supervisory monitoring of BHCs' portfolios, (2) be responsive to industry comments, (3) create greater uniformity in the information collected across respondents, (4) create greater consistency in field definitions across related FR Y-14 schedules, (5) account for developments in the market for loan products, (6) clarify ambiguity in existing variable definitions, and (7) create efficiencies in the processing of the data. In addition, the Federal Reserve believes that because many of the proposed new data items request information that large servicers of these loans currently collect in

⁴ Published October 12, 2012 (77 FR 62378)

the regular course of business, the incremental burden of adding such fields would be low. Some of the proposed changes are also intended to facilitate increased data sharing across regulatory agencies that should reduce the overall burden of data submissions on reporters. In addition, some fields will have the added benefit of facilitating the review Basel II implementation at certain BHCs.

Domestic First Lien Closed-End 1-4 Family Residential Loan Schedule

The Federal Reserve proposes adding 40 data items to the Domestic First Lien Closed-End 1-4 Family Residential Loan schedule to collect information on loans before and after modification, loan performance and status indicators, risk analysis and loss information, Basel II parameters and identifier variables (such as customer and co-borrower ID). Also, the Federal Reserve proposes to remove three data items from the loan level table that can be derived from other data items.

The Federal Reserve specifically requests comment on an institution's ability to report data related to Loss Given Default (LGD) on first Lien and home equity loans in cases of involuntary termination. The Federal Reserve specifically requests comment on what information, in addition to total debt at time of any involuntary termination, net recovery amount, and sales price of property, would be appropriate to collect in order to estimate LGD.

Domestic Home Equity Loan and Home Equity Line Schedule

The Federal Reserve proposes adding 27 data items to the Domestic Home Equity Loan and Home Equity Line schedule and deleting one data item. The Federal Reserve proposes adding the data items to provide more information on loan performance, including loss, default, modification, foreclosure and recovery variables, and Basel II parameters, and to be consistent with the proposed revisions to the Domestic First Lien Closed End 1-4 Family Residential Loan schedule, as discussed above. The Federal Reserve proposes to delete the Paid-in-Full Coding data item (Field 52), as this information is sufficiently captured in the Liquidation Status data item (Field 54).

Address Matching Loan Level Data Collection

The Federal Reserve proposes to add one data item to the Address Matching Loan Level Data Collection schedule to indicate whether the loan is included in the FR Y-14M First Lien Closed-End or Home Equity Loan and Home Equity Line schedule for that month.

Domestic Credit Card data Collection Data Dictionary

The Federal Reserve proposes to add 65 data items to the Domestic Credit Card Data Collection Data Dictionary schedule. 46 data items would be added at the account level to collect information surrounding identifier variables (including corporation and borrower IDs, address, entity type, and trade key), purchase and payment rate variables, status and performance data, various fees incurred, workout program descriptors, and

credit scores and limits. In addition, the Federal Reserve proposes to revise the current reporting of 11 account level data items from optional to mandatory, in order to create greater uniformity in the reporting of balance, cycle and account dates and amounts. At the portfolio level, 19 data items would be added to collect information on interest and non-interest expenses, interest and noninterest income, various types of fee income, and taxes.

Copies of the draft reporting forms and instructions and additional details on the proposed data items are available on the Federal Reserve Board's public website at: <http://www.federalreserve.gov/apps/reportforms/review.aspx>

Board of Governors of the Federal Reserve System, December 14, 2012.

Robert deV. Frierson,
Secretary of the Board.

Billing Code 6210-01-P

[FR Doc. 2012-30636 Filed 12/19/2012 at 8:45 am; Publication Date: 12/20/2012]